



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Voluntary Report - public distribution

Date: 06/15/2004

GAIN Report Number: MX4074

Mexico

Livestock and Products

Mexico Initiates Dumping Investigation of U.S. Pork Legs

2004

Approved by:

David Williams
U.S. Embassy Mexico City

Prepared by:

David Williams/Sal Trejo

Report Highlights:

After ruling against a previous dumping investigation requested by the Mexican Council of Swine Breeders (CMP) on a range of pork products (see MX4077), the Mexican government has officially announced initiation of a subsequent investigation on dumping charges filed against importers and exporters of U.S. pork legs.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Mexico [MX1]
[MX]

Introduction: This report summarizes a published in Mexico's "*Diario Oficial*" (Federal Register) on May 31, 2004.

Disclaimer: This summary is based on a *cursory* review of the subject announcement and therefore should not, under any circumstances, be viewed as a definitive reading of the resolution in question, or of its implications for U.S. agricultural export trade interests. In the event of a discrepancy or discrepancies between this summary and the complete resolution or announcement as published in Spanish, the latter shall prevail.

FAS/Mexico's Executive Summary: The Secretariat of Economy (SE) announced on May 31, 2004, in Mexico's "*Diario Oficial*" ("Federal Register"), the initiation of an official antidumping investigation against U.S. Pork Legs. The investigation is self initiated by SE after obtaining sufficient market information to alledge damage to the domestic pork industry and therefore, merits an additional dumping investigation. While permitted to do so under Mexican law SE did not include the immediate imposition of countervailing duties in its announcement. At issue is U.S. production and market prices for pork legs. Exporters, importers and other interested parties have twenty-eight (28) working days from the publication date of this official announcement, to respond to questionnaires from SE.

(FAS/Mexico Note: Historically, the timetable for the investigation, determination and final ruling on dumping cases in Mexico is relatively short and strictly enforced. Respondents will have 28 working days from the date of publication to respond to questionnaires issued by SE. Failure to provide and return the information required to SE would be looked upon as a de facto guilty plea and could result in the establishment of large dumping margins. End Note)

Title: "Resolution to declare the initiation of an antidumping investigation on imports of pork legs, merchandise classified in tariff codes 0203.12.01 and 0203.22.01, of the General Import Tax Law, originating in the United States of America, independently of their country of origin".

Type of Resolution: Initial investigation on antidumping claims.

Important Dates

1. Publication Date: May 31, 2004

2. Effective Date: June 1, 2004

3. Start of Public Comment Period: Initial SE questionnaires must be submitted with 28 working days from publication date of this official announcement.

4. End of Public Comment Period: Final statements must be submitted by, 14:00 hours on the due date indicated in the questionnaire.

Products Affected: Pork legs, merchandise classified in tariff codes 0203.12.01 and 0203.22.01.

Agency in Charge: The Secretariat of Economy (SE), International Commercial Practices Unit

Summary of the Resolution's Important Provisions

Imports of pork legs from the United States of America, have allegedly come into the Mexican market at prices significantly below the estimated cost of production.

SE has obtained sufficient market information to determine that exporters and importers of U.S. pork legs practiced price discrimination and may have caused damage to the domestic

pork industry, from January 1, to December 31, 2003. SE identified several Mexican importers and several U.S. exporters as responsible parties as follows:

Importers

Carnes Selectas Baeza, S.A. de C.V., Consejo Mexicano de la Carne A.C., Ryc Alimentos, S.A. de C.V., Qualtia Alimentos Operacionales, S. de R.L. de C.V., Salchichas y Jamones de México, S.A. de C.V., Empacadora Iglesias, S.A. de C.V., Ultra Carnes de México, S.A. de C.V., Homero 538, despacho 202, colonia Polanco, código postal 11550, México, Distrito Federal. Central de Carnes de Nuevo León, S.A. de C.V., Alimentos San Mateo, S.A. de C.V., León de los Aldamas 57, colonia Roma, Delegación Cuauhtémoc, código postal 06760, México, Distrito Federal. Comercializadora Elenita Internacional, S.A. de C.V., Herón Ramírez 318, colonia Rodríguez, Reynosa, Tamaulipas. Promotora Comercial Alpro, S. de R.L. de C.V., Prolongación Martín Mendalde 1755, planta baja, colonia Acacias del Valle, Delegación Benito Juárez, código postal 03100, México, Distrito Federal. Proveedor de Carnes Roca, S.A. de C.V., Poniente 1, manzana 52, lote 11, colonia Cuchilla del Tesoro, Delegación Gustavo A. Madero, 15300, México, Distrito Federal. Costco de México, S.A. de C.V., Paseo de los Tamarindos 400-A, piso 9, colonia Bosques de las Lomas, código postal 05120, México, Distrito Federal. Aliser, S.A. de C.V., Félix Ortega 2845 L-4, colonia Pueblo Nuevo, La Paz, Baja California Sur. Frigoríficos del Bajío, S.A. de C.V., Sigma Alimentos Importaciones, S.A. de C.V., avenida Insurgentes Sur 619, piso 7, colonia Nápoles, código postal 03810, México, Distrito Federal. Promotora Porcícola, S.A. de C.V., Aluminio 353, colonia 20 de Noviembre, Delegación Venustiano Carranza, código postal 15300, México, Distrito Federal. Sonora Agropecuaria, S.A. de C.V., Puebla 260, piso 5, colonia Roma, México, Distrito Federal. Unión Sanitaria de Productos Alimenticios, S.A. de C.V., J.M. Salvatierra y A. Humbolt número 17538, Fraccionamiento Garita de Otay, Tijuana, Baja California.

Producer's Associations and/or exporters from the United States of America

American Meat Institute, American Pork Export Trading Company, National Pork Producers Council, US Meat Export Federation, denominated hereinafter and in conjunction as the producer's associations and/or exporters of the United States of America, boulevard Manuel Avila Camacho 24, PH, colonia Lomas de Chapultepec, código postal 11000, México, Distrito Federal.

Exporters

Sioux Preme Packing Company, Premium Standard Farms, Inc., Fresh Pork LLC., D & M Distributors of Illinois, Inc., Addison Foods, Inc., Plum Rose USA, Agriwest International, Inc., Local and Western of Texas Inc., Midland Foods Distribution, Inc., Bay World Trading Ltd., E. Boyd & Associates, Inc., Quirch Foods Company, Estrada Foods Exporting, Company Ltd., Gerber Agri International, LLC., Interra International, Inc., Lincoln Trading International LLC., Mullen Marketing, LLC., PM Global Foods, Maple Leaf Foods International, Northern Beef Industries, Inc., y Porky Products Inc., boulevard Manuel Avila Camacho 24, PH, colonia Lomas de Chapultepec, código postal 11000, México, Distrito Federal. Swift Pork Company Montes Urales número 470, primer piso, colonia Lomas de Chapultepec, código postal 11000, México, Distrito Federal. AJC International, Inc., Excel Corporation, Parker International, Inc. León de los Aldamas 57, colonia Roma, Delegación Cuauhtémoc, código postal 06760, México, Distrito Federal. Farmland Foods, Inc. Río Duero 31, código postal 06500, colonia Cuauhtémoc, México, Distrito Federal. IBP Inc., Seaboard Farms, Inc., Yarto International Group, L.P., boulevard Manuel Avila Camacho 1, piso 12, edificio Scotiabank Inverlat, colonia Lomas de Chapultepec, código postal 11000, México, Distrito Federal. The Smithfield Packing Company, Incorporated, Gwaltney of Smithfield, Ltd., John Morell & Co., Prolongación Martín Mendalde 1755, planta baja, colonia Acacias del Valle, Delegación Benito Juárez, código postal 03100, México, Distrito Federal.

Sigma Alimentos International Inc., avenida Insurgentes Sur 619, piso 7, colonia Nápoles, código postal 03810, México, Distrito Federal.

Comment: SE ended its dumping investigation for several pork products (see MX4077). This new investigation will focus only on pork legs (hams). Imports of these products were valued at \$5.5 million in 1995 according to Mexican import data and have increased to \$165.4 million in 2003. In addition to imports from the United States, Mexican pork producers are also concerned about competition from poultry products used to manufacture hams.

For More Information:

We are available at <http://www.fas-la.com/mexico> or visit our headquarters' home page at <http://www.fas.usda.gov> for a complete selection of FAS' worldwide agricultural reporting.

FAS/MEXICO EMAIL

To reach us at FAS/Mexico City:

AgMexico@usda.gov and/or ATOMexico@usda.gov

Useful Mexican Web Sites: Mexico's equivalent of the Department of Agriculture (SAGARPA) can be found at www.sagar.gob.mx and Mexico's equivalent of the Department of Commerce (SE) can be found at www.se.gob.mx These web sites are mentioned for the readers' convenience but USDA does NOT in any way endorse, guarantee the accuracy of, or necessarily concur with the information contained on the mentioned sites.